

As voters begin to receive their ballots in the mail, I wanted to provide some information regarding the Town's decision to go forward with the Proposition 1 measure on the ballot. The information below is provided to inform voters about the history and impact of the measure on Town revenues and expenditures.

## **Background**

In 2008, the citizens voted to increase property tax by a \$1.02/\$1,000 of assessed value through a levy lid lift to fund a full-time fire department. By 2010, the increased costs of providing this service had outpaced the revenue received from the EMS property tax levy, the new levy lid lift, and ambulance transports. With a major change looming at the end of 2012 due to the shortfall in revenue, the Town received a two-year federal SAFER grant providing approximately \$270,000/year for 2013-2014 which runs out this December.

Property tax is the main revenue source for the Town's general operations, accounting for just over 30% of our revenue. The assessed property values within the town limits has declined approximately 42% since 2010, which resulted in a \$174,000 decline in property tax revenue of which \$72,000 was for the excess levy and EMS levy.

During this time period, the Town reduced costs in its general operations areas which include parks, cemetery, community center, streets, planning/building, and the police department to respond to the lower operating revenue. The reduction to the Police Department has lowered the officers from five plus a chief in 2010 to three officers and a part-time contract chief in 2014. This has impacted the level of service provided to the citizens.

This year I've made changes to both the police department and fire department to go with contracted chief services to lower costs and enable us to keep the maximum dollars available going into the direct public safety services and still keep the administrative expertise.

## **Why an excess levy?**

As the Town began to examine the 2015 budget, it was determined the General Fund expenses would be approximately \$300,000 greater than the anticipated revenues. With public safety accounting for around 60% of our General Fund expenses, the Public Safety Committee and I held three Town Hall meetings to discuss the future of public safety and determine what the citizens wanted. The citizens who attended these meetings expressed a desire to keep the current level of public safety. After the last meeting, the Town Administration brought forward an excess levy of \$2/\$1,000 of assessed value to help fund public safety at its current level to maintain what the citizens wanted. We will be unable to maintain the same level of service without the approval of this excess levy due to the current shortfall.

With the decline in assessed value, the property tax rate adjusted to the statutory maximum of \$3.60/\$1,000 in 2010 which eliminated our capacity to raise the property tax rate with a levy lid lift. The only option available to the town was to put forward an annual excess levy which requires voters to approve the measure by at least 60%. This will be a requirement each year to continue to fund public

safety. Even as our property values increase over time back towards the high of 2010, the revenue gain will only partially solve the ongoing funding issue the town has faced since 2010. The Town Administration is looking at different alternatives for public safety including new sources of revenue to help fund public safety.

**What will the excess levy fund?**

The dollars received from the excess levy will go directly to fund the operations of both the police department and fire department. Based on the needs of both departments, approximately 67% would go to fire and the remaining 33% to police. The funds would be used for the direct services provided to the citizens.

**Where does public safety funding go from here?**

The Town will continue to look at the public safety model and consider other alternatives for providing the best services to the citizens while keeping the costs within our budget. This will include looking for additional revenue options. The town has limited resources available to fund important and vital services to the citizens of Eatonville. We continue to fight an uphill battle with revenues growing at a slower pace than expenses which will continue to add pressure to future funding of services. We will continue to be good stewards of the citizens' tax dollars and operate town operations effectively and efficiently.